

## FISCAL NOTE

### HB 767 - SB 1353

March 8, 2005

**SUMMARY OF BILL:** Requires the Department of Education to develop a K-12 capital outlay grant program for LEAs for FY05-06. Local funding shall match state grant funding on the basis of \$1.00 to each \$3.00 of state funds. The state share of the grants shall be funded from excess net lottery proceeds and shall be made available to LEAs on or about January 1, 2006. LEAs shall use grants in the replacement of existing buildings or the construction of new buildings, but shall not use such grants for the acquisition of fixtures, furnishings, or equipment. The bill appropriates to the Department of Education, from excess net education lottery proceeds, the sum of \$15,000,000 for the sole purpose of funding the K-12 capital outlay grant program. Such appropriation shall be nonrecurring.

### **ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by a one-time appropriation of \$15,000,000 to create a capital outlay grant program for LEAs for FY2005-06.**

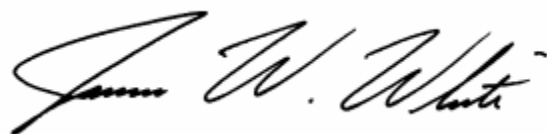
**Increase Local Govt. Expenditures - \$5,000,000 Local Match/Permissive  
Decrease Local Govt. Expenditures - \$15,000,000 One-Time**

#### Assumptions:

- Appropriates an amount of \$15,000,000 from excess lottery proceeds to fund K-12 capital outlay projects on a three to one match. The \$15,000,000 would be matched with \$5,000,000 in local funds in order for the LEAs to be awarded the grant. Priority is given on a first come, first serve basis.
- There would be no second year costs since the bill indicates the funds are on a nonrecurring basis, and LEAs would be able to use the fund balance, if available.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director